



**COUNTY OF LOS ANGELES**  
**DEPARTMENT OF PUBLIC WORKS**

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

**GAIL FARBER, Director**

November 03, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

27 November 3, 2009

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**AGREEMENT RELATED TO THE SUBSTITUTION OF SECURITY FOR SUBDIVISION  
IMPROVEMENTS AND GOVERNMENT CODE SECTION 66499(a)(4)  
LIEN FOR MYSTERY MESA PROJECT  
IN THE CANYON COUNTRY AREA  
(SUPERVISORIAL DISTRICT 5)  
(3 VOTES)**

**SUBJECT**

This action is to execute an agreement with Pardee Homes to accept a lien upon the Mystery Mesa Subdivision in place of existing bonds and cash deposit.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that it would not be in the public's best interest to require the installation of the required improvements in the Mystery Mesa Subdivision within the next two years.
2. Authorize the Director of Public Works or her designee to execute an agreement with Pardee Homes related to the substitution of security for Pardee Homes' subdivision improvement obligations and to accept a lien upon the Mystery Mesa Subdivision in place of existing bonds and cash deposit.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended action is to authorize the Director of Public Works or her designee to enter into the enclosed Substitution of Security for Subdivision Improvements Agreement (Agreement) with Pardee Homes (Pardee). The Agreement will provide for the substitution of a real property lien in place of bonds and cash as security for the completion of subdivision improvements in the Mystery Mesa Subdivision (i.e., Tract Map Nos. 44967, 49433, and 49434).

Pardee is the owner/subdivider of Mystery Mesa. As a condition of the County of Los Angeles' (County) approval of Mystery Mesa, Pardee was required to construct and install certain subdivision improvements (e.g., streets, sewers, storm drains, survey monuments, etc.) Pardee was subsequently allowed to defer the construction/installation of these improvements until after the recordation of the final maps for Mystery Mesa, on the condition that Pardee deposit sufficient security to guarantee the eventual completion of the improvements. Pardee has submitted Performance and Labor and Material bonds in the amount of \$12,735,750 and has made a cash deposit of an additional \$38,100 to secure its subdivision improvement obligations.

Since the recordation of the Mystery Mesa final maps, Pardee has changed its plans for the Mystery Mesa subdivision. Pardee is currently processing with the County a tentative tract application for a project known as Skyline Ranch, which includes the Mystery Mesa subdivision. As part of the Skyline Ranch project, Pardee is proposing to resubdivide Mystery Mesa into open-space areas thus eliminating the need for the subdivision improvements that were previously required as a condition of the County's approval of Mystery Mesa.

Due to the proposed resubdivision of Mystery Mesa into open-space areas, Pardee proposes to substitute a lien upon the Mystery Mesa subdivision in place of the bonds and cash deposit.

Pardee is the sole owner of the Mystery Mesa project and no liens or trust deeds have been recorded against Mystery Mesa. An appraisal of Mystery Mesa was recently prepared and the value is estimated to be well in excess of the amount of the bonds and cash deposit.

If, for any reason, Pardee modifies its Skyline Ranch project to eliminate the resubdivision of Mystery Mesa into open space, the Agreement requires Pardee to resubmit bonds or other security typically required by the County to guarantee the completion of the Mystery Mesa improvements.

**Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) by promoting fiscal policies and practices that help ensure County public services during cyclical economic conditions.

**FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund as a result of the execution of the Agreement and acceptance of the lien upon the subdivided property.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Government Code Section 66499(a)(4) authorizes the County to accept a lien upon the property to be divided as security for a developer's subdivision improvement obligations, if the County finds that it would not be in the public's best interest to require the installation of the improvements within the next two years.

The enclosed Agreement and lien have been reviewed and approved as to form by County Counsel.

**ENVIRONMENTAL DOCUMENTATION**

On May 4, 1998, the Board of Supervisors adopted a Negative Declaration for the Mystery Mesa Subdivision. The recommended action is within the scope of the project in the previously adopted Negative Declaration.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no negative impact on current County services or projects as a result of executing the agreement with Pardee.

**CONCLUSION**

Please return one copy of the adopted letter to the Department of Public Works, Land Development Division.

Respectfully submitted,



GAIL FARBER

Director

GF:DH:la

Enclosures

c: Chief Executive Office (Lari Sheehan)  
County Counsel  
Executive Office

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

(SPACE ABOVE FOR RECORDER'S  
USE)

**AGREEMENT RELATED TO THE SUBSTITUTION OF SECURITY FOR  
SUBDIVISION IMPROVEMENTS**

**THIS AGREEMENT RELATED TO THE SUBSTITUTION OF SECURITY FOR  
SUBDIVISION IMPROVEMENTS (AGREEMENT)** is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_ (Effective Date), by and between Pardee Homes (formerly known as Pardee Construction Company) a California corporation (hereinafter referred to as either PARDEE, OWNER, or SUBDIVIDER, and the County of Los Angeles, State of California, acting by and through the Director of Public Works (hereinafter referred to as County), and is made with reference to the facts set forth below. PARDEE and COUNTY whenever referenced collectively shall (hereinafter be referred to as PARTIES) and whenever referenced individually may (hereinafter be referred to as a PARTY). This AGREEMENT is made with reference to the following recitals:

**RECITALS**

WHEREAS PARDEE is the owner and subdivider of certain real property in the County of Los Angeles commonly known as Mystery Mesa (Tracts Nos. 44967, 49433, and 49434), as more particularly described in **Exhibit A**, attached hereto and incorporated herein (Mystery Mesa); and

WHEREAS concurrently with the recordation of the tract maps for Mystery Mesa, PARDEE entered into certain subdivision improvement agreements, more specifically, Los Angeles County Public Works Department Multiple Agreement, dated September 12, 1995, regarding Tract No. 49433; Los Angeles County Public Works Department Multiple Agreement for Tract/Parcel Map No.49434, dated February 2, 1999; and Los Angeles County Public Works Department Multiple Agreement for Tract/Parcel Map No. 44967, dated February 2, 1999; (hereinafter referred to as IMPROVEMENT AGREEMENTS), posted bonds and deposited cash with COUNTY as security to guarantee the performance of the IMPROVEMENT AGREEMENTS; and

WHEREAS **Exhibit B**, attached hereto and incorporated herein sets forth the Tract/Parcel Map numbers, the surety, the bond numbers, the amount of the bonds posted with COUNTY for the Mystery Mesa Tract/Parcel Maps, and the amount of cash on deposit with COUNTY as well as account information; and

WHEREAS since approval of the Mystery Mesa maps in the 1990's, the bonds posted with COUNTY and the cash in the deposit accounts have remained in place to secure completion of subdivision improvements; however, no work in satisfaction of the IMPROVEMENT AGREEMENTS has occurred in the Mystery Mesa acreage and no such work is anticipated to occur in the foreseeable future; and

WHEREAS PARDEE retains sole ownership of the Mystery Mesa acreage and no mechanics or materialman liens or deeds of trust have been recorded against the Mystery Mesa acreage; and

WHEREAS PARDEE is processing for approval with COUNTY a tentative map application for Tract No. 060922, in the County of Los Angeles, known as Skyline Ranch (Skyline Ranch); and

WHEREAS the application for tentative map approval of the Skyline Ranch project includes the merger of the Mystery Mesa acreage and its resubdivision into open-space parcels; and

WHEREAS because of the proposed merger and resubdivision of the Mystery Mesa acreage into open-space parcels, it would not be in the public interest to require the installation of the public improvements in Mystery Mesa while the tentative map application for Skyline Ranch is pending; and

WHEREAS the Subdivision Map Act, Government. Code Section 66499(a)(4) authorizes COUNTY to accept a lien upon the property to be subdivided as security to guarantee the performance of IMPROVEMENT AGREEMENTS, under the circumstances referenced above.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are incorporated into this AGREEMENT, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, PARTIES agree as follows:

#### **AGREEMENT**

1. PARDEE shall execute and deliver to COUNTY a lien, substantially in the form of **Exhibit C**, attached hereto and incorporated herein upon the Mystery Mesa Tract/Parcel acreage, and COUNTY shall accept and promptly record the lien.
2. Not later than thirty (30) days after the recordation of the lien against the Mystery Mesa acreage, COUNTY shall execute and deliver to PARDEE releases of the bonds listed on **Exhibit B** hereto and cause to be refunded to PARDEE the funds held in the cash deposit accounts referenced in **Exhibit B** hereto.

3. Concurrently with the recordation of a final map for Skyline Ranch that merges and resubdivides the Mystery Mesa acreage into open-space parcels, COUNTY shall release the lien recorded by COUNTY against the Mystery Mesa acreage.
4. If, prior to the recordation of a final map for Skyline Ranch, which merges and resubdivides the Mystery Mesa acreage to open-space parcels, PARDEE amends or revises the tentative map application for Skyline Ranch to exclude the merger and resubdivision of the Mystery Mesa acreage, PARDEE shall, concurrently with such amendment or revision, post with COUNTY security in the form and in the amount COUNTY would typically require for similar subdivision improvements at the time PARDEE posts such security to guarantee the completion of the IMPROVEMENT AGREEMENTS for Mystery Mesa. Upon posting of any such security, COUNTY shall cause to be recorded a release of the lien recorded against the Mystery Mesa acreage.
5. **Notices.** All notices, demands, or requests in connection with this AGREEMENT may be personally delivered or sent by facsimile, recognized overnight delivery service, or United States mail, postage prepaid, to the persons set forth below, and shall be deemed received upon personal delivery, confirmation of facsimile transmission, one (1) day following deposit with an overnight delivery service, and two (2) days after deposit with the United States mail. All notices shall be addressed as follows or as PARTIES may from time to time specify in writing:

If to SUBDIVIDER: Pardee Homes  
Attention Mr. Tom Mitchell  
10880 Wilshire Boulevard, Suite 1900  
Los Angeles, California 90024  
Fax: (310) 446-1292  
Telephone: (310) 475-3525 ext. 221

With A Copy to: Seltzer Caplan McMahon Vitek  
Attention Mr. Thomas F. Steinke, Esq.  
750 "B" Street, Suite 2100  
San Diego, California 92101  
Fax: (619) 702-6819  
Telephone: (619) 685-3038

If to COUNTY: County of Los Angeles  
Department of Public Works  
Attention Land Development Division,  
Subdivision Management Section  
900 South Fremont Avenue  
Alhambra, California 91803  
Fax: (626) 458-4949  
Telephone: (626) 458-4904

6. **Miscellaneous**

- 6.1 **Counterparts**. This AGREEMENT may be executed in more than one counterpart, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
- 6.2 **Covenants Running With the Land**. Each of PARDEE'S obligations contained in this AGREEMENT shall constitute a covenant running with the land, which covenant touches and concerns the land, and each such obligation shall run in favor of COUNTY and shall be binding on PARDEE and its successors and assigns.
- 6.3 **Execution of Other Documents**. PARTIES hereto agree that each PARTY (at no cost, liability, or expense to such PARTY) will cooperate with the other and will execute and deliver, or cause to be delivered, all such other reasonable instruments and will take all such other reasonable actions, as any PARTY hereto reasonably requests, from time to time in order to effectuate the provisions and purposes hereof.
- 6.4 **Severability**. In the event that any phrase, clause, sentence, paragraph, section, article, or other portion of this AGREEMENT shall become illegal, null, or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null, or void or against public policy, the remaining portions of this AGREEMENT shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.
- 6.5 **Entire Agreement**. This AGREEMENT constitutes the entire agreement and understanding between PARTIES concerning the subject matter of this AGREEMENT and supersedes all prior agreements, terms, understandings, conditions, representations, and warranties, whether written or oral, made by and between PARTIES concerning the matters which are the subject of this AGREEMENT.
- 6.6 **Recitals**. The Recitals set forth above are incorporated herein by this reference.
- 6.7 **Amendment**. No amendment, modification, termination, or waiver of any provision of this AGREEMENT shall be effective unless executed in writing by PARTIES and then only for the specific purpose stated in such amending document.
- 6.8 **Authority To Execute Agreement**. Each individual executing this AGREEMENT represents that he or she is duly authorized to execute and deliver this AGREEMENT on behalf of such PARTY and agrees to deliver evidence of his or her authority to the other PARTY upon request by the other PARTY.



IN WITNESS WHEREOF, the undersigned have executed this AGREEMENT as of the Effective Date first above written. In the event a date is not inserted as the Effective Date, then the latest date entered by a PARTY to this AGREEMENT shall be the Effective Date.

COUNTY OF LOS ANGELES

APPROVED AS TO FORM:

By \_\_\_\_\_  
Director of Public Works

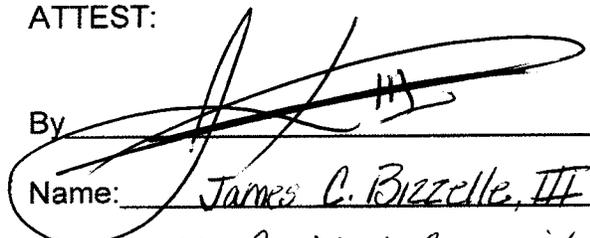
ROBERT E. KALUNIAN  
Acting County Counsel

By   
Deputy

PARDEE HOMES  
a California Corporation

By   
Name: John Aevin  
Title: Sr. Vice President  
Dated: 7/22/09

ATTEST:

By   
Name: James C. Bizzelle, III  
Title: Vice President, Community Development  
Dated: 7/22/09

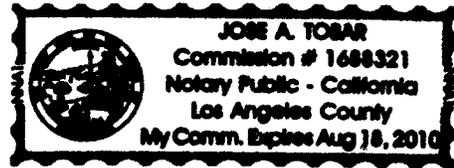
STATE OF CALIFORNIA                    }  
  }  
COUNTY OF LOS ANGELES            }

SS

On July 22, 2009 before me, Jose A. Tobar, personally appeared John Arvin and James Bizzelle, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature: \_\_\_\_\_  \_\_\_\_\_ (Seal)

**EXHIBIT "A"**

**Mystery Mesa Legal Description**

(Mystery Mesa Tracts)

Lots 1 through 81 of Tract No. 49433, County of Los Angeles, State of California, as per Map recorded in Book 1214, Pages 64 through 76 inclusive; Lots 1 through 62 inclusive of Tract No. 49434, as per Map recorded in Book 1237, Pages 58 through 66 inclusive; Lots 1 through 64 inclusive of Tract No. 44967; as per Map recorded in Book 1237, Pages 67 through 76 inclusive, all in the County of Los Angeles, State of California, in the Office of the County Recorder of said County.

Assessor's Parcel Numbers:	2812-061-001 to 2812-061-039
	2812-062-001 to 2812-062-052
	2812-067-001 to 2812-067-062
	2812-068-001 to 2812-068-064

**EXHIBIT "B"**

(Part 1 of 2)

<i>Bond No.'s</i>	<i>Bond Type</i>	<i>Bond Amounts</i>	<i>Date Bond Posted</i>	<i>Tract/ Parcel Map No.</i>
103580861  United Pacific Insurance Co.  (was U8007846)	Faithful Performance Amount	\$1,815,000.00	Feb. 2, 1999	49434
	Labor & Materials Amount	\$ 907,500.00		
103580869  United Pacific Insurance Co.  (was U8007847)	Faithful Performance Amount	\$1,647,000.00	Feb. 2, 1999	44967
	Labor & Materials Amount	\$ 823,500.00		
103693341  United Pacific Insurance Co.  (was U8005274)	Faithful Performance Amount	\$5,028,500.00	Sept. 14, 1995	49433
	Labor & Materials Amount	\$2,514,250.00		

**Grand Total \$12,735,750.00**

EXHIBIT "B"

(Part 2 of 2)

Mystery Mesa Cash Deposits

Immunity	Description	Project/PJR	Yr/Month	Job #	Amount	Outstanding
Mystery Mesa	Los Angeles County - Dept.' Public Works	TR#44967 Mystery Mesa Add'l inspect fee	1999/04	272066	1,800.00	1,800.00
Mystery Mesa	Los Angeles County - Dept.' Public Works	TR#49433 Mystery Mesa	1999/10	272203	19,000.00	19,000.00
Mystery Mesa	Los Angeles County - Dept.' Public Works	TR#49434 Mystery Mesa	1999/02	272204	8,800.00	8,800.00
Mystery Mesa	Los Angeles County - Dept.' Public Works	TR#44967 Mystery Mesa	1999/02	272205	8,500.00	8,500.00
					38,100.00	38,100.00

**EXHIBIT C**

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

(SPACE ABOVE FOR RECORDER'S  
USE)

**GOVERNMENT CODE §66499(a)(4) LIEN**

WHEREAS, Pardee Homes (formerly known as Pardee Construction Company), a California corporation (hereinafter referred to as PARDEE), is the owner and subdivider of certain real property in the County of Los Angeles commonly known as Mystery Mesa, Tracts Nos. 44967, 49433 and 49434 as more particularly described in Exhibit 1, attached hereto and incorporated herein (hereinafter referred to as MYSTERY MESA); and

WHEREAS, the County of Los Angeles, State of California (hereinafter referred to as COUNTY), and PARDEE have entered into certain subdivision improvement agreements, more specifically, Los Angeles County Public Works Department Multiple Agreement, dated September 12, 1995, regarding Tract No. 49433; Los Angeles County Public Works Department Multiple Agreement for Tract/Parcel Map No.49434, dated February 2, 1999; and Los Angeles County Public Works Department Multiple Agreement for Tract/Parcel Map No. 44967, dated February 2, 1999 (hereinafter referred to as IMPROVEMENT AGREEMENTS), whereby PARDEE has agreed to install and complete certain designated public improvements and survey monumentation in connection with MYSTERY MESA and has posted bonds and deposited cash with COUNTY to ensure faithful performance of the terms of such IMPROVEMENT AGREEMENTS; and

WHEREAS, the total amount of the bonds previously posted by PARDEE to guarantee the faithful performance of the IMPROVEMENT AGREEMENTS is Twelve Million Seven Hundred Thirty-five Thousand Seven Hundred Fifty and 00/100 Dollars (\$12,735,750.00), based upon the bond total for the MYSTERY MESA IMPROVEMENT AGREEMENTS, as set forth in Exhibit 2 attached hereto and incorporated herein; and

WHEREAS, the total amount of cash previously deposited by PARDEE to guarantee the payment of the cost of setting the survey monumentation and related activities is Thirty-eight Thousand One Hundred and 00/100 Dollars (\$38,100.00) as set forth in Exhibit 2 attached hereto ; and

WHEREAS, COUNTY and PARDEE have entered into an "Agreement Related To The Substitution Of Security For Subdivision Improvements", the terms of which are incorporated herein, pursuant to which PARDEE has agreed to provide and COUNTY has agreed to accept a lien upon MYSTERY MESA as security for PARDEE'S performance of IMPROVEMENT AGREEMENTS, in place of the previously posted bonds and cash deposits; and

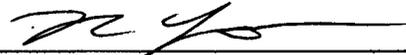


COUNTY OF LOS ANGELES

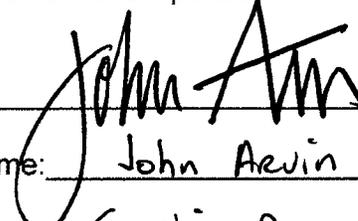
APPROVED AS TO FORM:

By \_\_\_\_\_  
Director of Public Works

ROBERT E. KALUNIAN  
Acting County Counsel

By   
Deputy

PARDEE HOMES  
a California Corporation

By   
Name: John Arvin  
Title: Sr Vice President  
Dated: 7/22/09

ATTEST:

By   
Name: James C. Bizzelle, III  
Title: Vice President, Community Development  
Dated: 7/22/09



**EXHIBIT 2**  
(Part 1 of 2)

<i><b>Bond Nos.</b></i>	<i><b>Bond Type</b></i>	<i><b>Bond Amounts</b></i>	<i><b>Date Bond Posted</b></i>	<i><b>Tract/ Parcel Map No.</b></i>
103580861 United Pacific Insurance Co. (was U8007846)	Faithful Performance Amount	\$1,815,000.00	Feb. 2, 1999	49434
	Labor & Materials Amount	\$907,500.00		
103580869 United Pacific Insurance Co. (was U8007847)	Faithful Performance Amount	\$1,647,000.00	Feb. 2, 1999	44967
	Labor & Materials Amount	\$823,500.00		
103693341 United Pacific Insurance Co. (was U8005274)	Faithful Performance Amount	\$5,028,500.00	Sep. 14, 1995	49433
	Labor & Materials Amount	\$2,514,250.00		

**Grand Total \$12,735,750.00**

EXHIBIT "2"

(Part 2 of 2)

Mystery Mesa Cash Deposits

Community	Description	Project/PJR	Yr/Month	Job #	Amount	Outstanding
Mystery Mesa	Los Angeles County - Dept.' Public Works	TR#44967 Mystery Mesa Add'l Inspect fee	1999/04	272086	1,800.00	1,800.00
Mystery Mesa	Los Angeles County - Dept.' Public Works	TR#49433 Mystery Mesa	1995/10	272203	19,000.00	19,000.00
Mystery Mesa	Los Angeles County - Dept.' Public Works	TR#49434 Mystery Mesa	1999/02	272204	8,800.00	8,800.00
Mystery Mesa	Los Angeles County - Dept.' Public Works	TR#44967 Mystery Mesa	1999/02	272205	8,500.00	8,500.00
					38,100.00	38,100.00